
**FORM OF
VOTING TRUST AND DIVESTITURE AGREEMENT**

by and among

**[NEW PREMIERA CORP.],
a Washington corporation,**

**the [FOUNDATION SHAREHOLDER],
a Washington nonprofit corporation,**

and

**the [TRUSTEE],
a • corporation.**

Dated as of •

VOTING TRUST AND DIVESTITURE AGREEMENT

This Voting Trust and Divestiture Agreement (this “Agreement”) is made and entered into as of the • day of •, by and among [New PREMERA Corp.], a Washington corporation (the “Company”), the [Foundation Shareholder], a Washington nonprofit corporation (the “Beneficiary”), and the [Trustee], as trustee (the “Trustee”).

RECITALS

WHEREAS, pursuant to the terms of that certain ~~Stock Restrictions~~Transfer, Grant and Loan Agreement, dated as of •, (the “~~Stock~~Transfer Agreement”), by and among PREMERA, a Washington nonprofit corporation (“PREMERA”), New PREMERA, the Alaska Health Foundation and the Beneficiary, the Beneficiary has acquired, contemporaneously with the execution of this Agreement, • shares of common stock, no par value per share, of the Company (the “Common Stock”), representing ~~100~~•% of the issued and outstanding shares of Common Stock of the Company;

WHEREAS, the Company became a licensee of the Blue Cross and Blue Shield Association (the “BCBSA”) upon consummation of the series of transactions contemplated by the Plan of Conversion (the “Plan of Conversion”) attached as Exhibit A-4 to the Statement Regarding the Acquisition of Control of a Domestic Health Carrier and a Domestic Insurer which was filed by PREMERA on behalf of the Company with the Insurance Commissioner of the State of Washington, the Attorney General of the State of Washington, the Alaska Division of Insurance and the Oregon Insurance Division on September 17, 2002, as amended, thereby enabling the Company to use the “Blue Cross” and “Blue Shield” names and related rights (the “Marks”);

WHEREAS, the Beneficiary desires to maintain the value of its interest in the Company for so long as it continues to own such an interest and believes that the Company’s license to use the Marks ~~will~~may contribute substantially to the Company’s value and its future prospects;

WHEREAS, the Company desires to assure the continuity of corporate policy and management and provide stability in the capital markets with respect to the liquidity and divestiture of its Capital Stock (as defined below);

WHEREAS, the BCBSA has conditioned the Company’s license to continue to use the Marks upon the Company maintaining certain provisions set forth in this Agreement and in its Articles of Incorporation (as defined below) (the “Basic Protections”) which are intended by the BCBSA to enable the Company to remain independent of the Beneficiary and any other Person (as defined below) who may in the future acquire shares of Capital Stock in excess of the Ownership Limit (as defined below) applicable to such Person; and

WHEREAS, in consideration of the foregoing, the Beneficiary has agreed to be bound by the Basic Protections, including (i) a requirement that the Beneficiary deposit into the voting trust established by this Agreement all of the shares of Capital Stock Beneficially Owned (each, as defined below) by the Beneficiary to the extent such shares exceed the Voting Ownership Limit, and (ii) a requirement that the Beneficiary and the Alaska Health Foundation together reduce ~~its~~their Beneficial Ownership (as defined below) of each class of Capital Stock (other than Class B Common Stock) to less than eighty percent (80%) of the issued and outstanding shares of each class of Capital Stock (other than Class B Common Stock) within one (1) year following the Start Date (as defined below), subject to possible extension as provided herein, a requirement that the Beneficiary and the Alaska Health Foundation together reduce ~~its~~their Beneficial Ownership of each class of Capital Stock (other than Class B Common Stock) to less than fifty percent (50%) of the issued and outstanding shares of each class of Capital Stock (other than Class B Common Stock) within three (3) years following the Start Date, subject to possible extension as provided herein, ~~and reduce its~~ a requirement that the Beneficiary and the Alaska Health Foundation together reduce their Beneficial Ownership of each class of Capital Stock ~~to less than five~~(other than Class B Common Stock) to less than twenty percent (~~5~~20%) of the issued and outstanding ~~shares~~ shares of each class of Capital ~~Stock~~ Stock (other than Class B Common Stock) within ~~six (6) years following the Start Date~~ five (5) years following the Start Date, subject to possible extension as provided herein, and a requirement that the Beneficiary and the Alaska Health Foundation together reduce their Beneficial Ownership of each class of Capital Stock (other than Class B Common Stock) to less than five percent (5%) of the issued and outstanding shares of each class of Capital Stock (other than Class B Common Stock) within ten (10) years following the Start Date, subject to possible extension as provided herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

(a) “Acquisition Proposal” means any tender or exchange offer, proposal for a merger, consolidation, other business combination or acquisition involving the Company or any of its subsidiaries or affiliates or any proposal or offer to acquire in any manner any equity interest in, or any portion of the assets of, the Company or any of its subsidiaries or affiliates.

(b) “Agreement” has the meaning set forth in the Preamble hereof.

(c) “Affiliate” as used with respect to the Company or the Beneficiary, ~~the Washington Charitable Organization or the Alaska Charitable Organization~~, has the meaning ascribed to such term in Rule 12b-2 of the Securities and Exchange Act of 1934, as in effect on the date hereof, but with respect to the Beneficiary shall be deemed not to include the Company and its subsidiaries.

(d) “Alaska ~~Charitable Organization~~ Health Foundation” means •, an Alaska nonprofit corporation.

(e) “Alaska Voting Ownership Limit” means the "Voting Ownership Limit" defined in the Alaska Voting Trust Agreement.

(f) “Alaska Voting Trust Agreement” means that certain Voting Trust and Divestiture Agreement, of even date herewith, by and among the Company, the Alaska Health Foundation and the trustee named therein, as amended from time to time.

(g) “Approved Change of Control Proposal” means a Change of Control Proposal submitted by the Board of Directors to the stockholders of the Company for a vote thereon.

(h) ~~(e)~~ “Articles of Incorporation” means the Articles of Incorporation of the Company as in effect at the time that reference is made thereto.

(i) ~~(f)~~ “BCBSA” has the meaning set forth in the Recitals hereof.

(j) ~~(g)~~ “Basic Protections” has the meaning set forth in the Recitals hereof.

(k) ~~(h)~~ “Beneficial Ownership”, “Beneficially Own” and “Beneficial Owner” have the meanings set forth in the Articles of Incorporation.

(l) ~~(i)~~ “Beneficiary” has the meaning set forth in the Preamble hereof.

(m) ~~(j)~~ “Blackout Period” has the meaning set forth in Section 1 of the Registration Rights Agreement.

(n) ~~(k)~~ “Board of Directors” means the Board of Directors of the Company.

(o) ~~(l)~~ “Bylaws” means the Bylaws of the Company as in effect at the time that reference is made thereto.

(p) ~~(m)~~ “Capital Stock” has the meaning set forth in the Articles of Incorporation.

(q) ~~(n)~~ “Change of Control Proposal” means any agreement, plan or proposal involving any sale of Capital Stock, merger, consolidation, ~~other business combination or acquisition~~ recapitalization, exchange of shares or other transaction that, if consummated in accordance with its terms, would result in the holders of the voting Capital Stock of the

Company immediately prior to such sale of Capital Stock, merger, consolidation, ~~other business combination or acquisition~~ recapitalization, exchange of shares or other transaction owning less than 50.1% of the outstanding voting securities of the Company or the resulting entity arising out of such sale of Capital Stock, merger, consolidation, ~~other business combination or acquisition~~ recapitalization, exchange of shares or other transaction or any agreement, plan or proposal involving the sale of all or substantially all of the assets of the Company and subsidiaries on a consolidated basis.

(r) ~~(e)~~ “Company” has the meaning set forth in the Preamble hereof.

(s) ~~(p)~~ “Common Stock” has the meaning set forth in the Recitals hereof.

~~(q) “Continuing Option” has the meaning set forth in Section 1 of the Registration Rights Agreement.~~

(t) “Conversion Closing Date” is the date on which the Conversion Transaction is completed in accordance to the terms thereof.

(u) ~~(+)~~ “Conversion Transaction” means the series of transactions contemplated by the Plan of Conversion attached as Exhibit A-4 to the Statement Regarding the Acquisition of Control of a Domestic Health Carrier and a Domestic Insurer which was filed on behalf of the Company with the Insurance Commissioner of the State of Washington, the Attorney General of the State of Washington, the Alaska Division of Insurance and the Oregon Insurance Division on September 17, 2002.

(v) “Delinquent Shares” means any and all shares of Capital Stock Beneficially Owned by the Beneficiary in excess of the number of shares of Capital Stock that the Beneficiary may Beneficially Own at the One Year Divestiture Deadline, the Three Year Divestiture Deadline, the Five Year Divestiture Deadline or the ~~Six~~Ten Year Divestiture Deadline, as the case may be, or at any date to which either the One Year Divestiture Deadline ~~or the Three~~, the Three Year Divestiture Deadline, the Five Year Divestiture Deadline or the Ten Year Divestiture Deadline, as the case may be, may be extended pursuant to Section 7.04 or Section 7.05 hereof.

(w) ~~(s)~~ “Demand” has the meaning set forth in Section 1 of the Registration Rights Agreement.

(x) ~~(t) “Foundation Confidential Information” has the meaning set forth in Section 6.02 hereof.~~ “Difference” has the meaning set forth in Section 3.02.

(y) “Divestiture Deadline” means the One Year Divestiture Deadline, the Three Year Divestiture Deadline, the Five Year Divestiture Deadline or the Ten Year Divestiture Deadline, as those terms are defined herein.

(z) “Election Notice” has the meaning set forth in Section 3.02.

(aa) “Five Year Divestiture Deadline” means the fifth anniversary of the Start Date, extended day for day, up to a maximum of seven hundred and thirty (730) days, for each day the Company is not required to file a Registration Statement (i) in response to an actual Demand pursuant to Section 2(d)(iii) of the Registration Rights Agreement as a result of the Company’s having previously effected a registration of Common Stock, provided that there shall be no such extension if the Company is not required to file a Registration Statement pursuant to said Section 2(d)(iii) because the Company previously effected a registration of Common Stock wherein the Beneficiary exercised its Piggy-Back Rights and received proceeds from the sale of its shares, or had the opportunity to exercise such rights but chose not to, or (ii) as a result of the pendency of any Blackout Period.

(bb) ~~(tt)~~ “General Ownership Limit” means that number of shares of Capital Stock as set from time to time by resolution adopted by an Independent Board Majority pursuant to Section 4.15 of the Articles of Incorporation and shall initially be (i) that number of shares of Common Stock one share lower than the number of shares of Common Stock which would represent 20% of all shares of Common Stock issued and outstanding at the time of determination, or (ii) any combination of shares of Capital Stock in any series or class that represents 20% of the ownership interest in the corporation at the time of determination.

~~(v) “Indemnification Agreement” means that certain Indemnification Agreement, of even date herewith, by and among the Company, PREMERA and the Beneficiary, as amended.~~

(cc) ~~(w)~~ “Indemnified Party” has the meaning set forth in Section 9.06 hereof.

(dd) ~~(x)~~ “Independent Board Majority” has the meaning set forth in the Articles of Incorporation.

(ee) “Independent Director” has the meaning set forth in the Articles of Incorporation.

(ff) “Initial Equity Incentive Plan” means the document found at Exhibit G-10 to the Plan of Conversion.

(gg) ~~(y)~~ “Institutional Investor” has the meaning set forth in the Articles of Incorporation.

(hh) ~~(z)~~ “Institutional Investor Ownership Limit” means that number of shares of Capital Stock as set from time to time by resolution adopted by an Independent Board Majority pursuant to Section 4.15 of the Articles of Incorporation and shall initially be one share lower than the number of shares of Capital Stock which would represent 10% of the Voting Power of all shares of Capital Stock issued and outstanding at the time of determination.

(ii) ~~(aa) “IPO” means the initial Underwritten Offering.~~ “IPO” means the initial Underwritten Offering.

(jj) “Knowledge of Beneficiary” means (i) with respect to (x) sales of Capital Stock pursuant to a public offering registered under the Securities Act of 1933, as amended, and (y) sales pursuant to Rule 144, the actual knowledge of the members of the board of the Beneficiary with no duty to inquire and (ii) in connection with any sales of Capital Stock in a privately negotiated transaction, or in connection with Section 5.05 hereof, the actual knowledge of any member of the board of the Beneficiary after reasonable inquiry by the board of the Beneficiary.

(kk) ~~(bb)~~ “Marks” has the meaning set forth in the Recitals hereof.

~~(cc)~~ ~~“Meetings” has the meaning set forth in Section 6.01(a) hereof.~~

(ll) ~~(dd)~~ “Noninstitutional Investor” has the meaning set forth in the Articles of Incorporation.

(mm) ~~(ee)~~ “Noninstitutional Investor Ownership Limit” means that number of shares of Capital Stock as set from time to time by resolution adopted by an Independent Board Majority pursuant to Section 4.15 of the Articles of Incorporation and shall initially be one share lower than the number of shares of Capital Stock which would represent 5% of the Voting Power of all shares of Capital Stock issued and outstanding at the time of determination.

~~(ff)~~ ~~“Observation Rights” has the meaning set forth in Section 6.01(a) hereof.~~

~~(gg)~~ ~~“Observer” has the meaning set forth in Section 6.01(a) hereof.~~

~~(hh)~~ ~~“Officers’ Certificate” means a certificate signed by the Chief Executive Officer or the Treasurer and attested by the Secretary or any Assistant Secretary of the Beneficiary.~~

(nn) ~~(ii)~~ “One Year Divestiture Deadline” means the first anniversary of the Start Date, extended day for day, up to a maximum of one hundred and eighty (180) days, for each day the Company is not required to file a Registration Statement (i) in response to an actual Demand pursuant to Section 2(d)(iii) of the Registration Rights Agreement as a result of the Company’s having previously effected a registration of Common Stock, provided that there shall be no such extension if the Company is not required to file a Registration Statement pursuant to said Section 2(d)(iii) because the Company previously effected a registration of Common Stock wherein the Beneficiary exercised its Piggy-Back Rights and received proceeds from the sale of its shares, or had the opportunity to exercise such rights but chose not to, or (ii) as a result of the pendency of any Blackout Period.

(oo) ~~(jj)~~ “Ownership Limit” means each of the Institutional Investor Ownership Limit, the Noninstitutional Investor Ownership Limit, and the General Ownership Limit, as applicable.

(pp) “Permitted Withdrawal” has the meaning set forth in Section 3.02.

(qq) ~~(kk)~~ “Person” means any individual, firm, partnership, corporation (including, without limitation, a business trust), limited liability company, trust, unincorporated association, joint stock company, joint venture or other entity, and shall include any successor (by merger or otherwise) of any such entity.

(rr) ~~(H)~~ “Piggy-Back Rights” has the meaning set forth in Section 1 of the Registration Rights Agreement.

(ss) ~~(mm)~~ “Plan of Conversion” has the meaning set forth in the Recitals hereof.

(tt) ~~(nn)~~ “Preliminary Option” has the meaning set forth in Section 1 of the Registration Rights Agreement.

(uu) ~~(oo)~~ “Registration Rights Agreement” means that certain Registration Rights Agreement, of even date herewith, by and between the Company and the Beneficiary, as amended.

(vv) ~~(pp)~~ “Registration Statement” has the meaning set forth in Section 1 of the Registration Rights Agreement.

~~(qq) — “Six Year Divestiture Deadline” means the sixth anniversary of the Start Date, extended day for day, up to a maximum of seven hundred and thirty (730) days, for each day the Company is not required to file a Registration Statement (i) in response to an actual Demand pursuant to Section 2(d)(iii) of the Registration Rights Agreement as a result of the Company’s having previously effected a registration of Common Stock, provided that there shall be no such extension if the Company is not required to file a Registration Statement pursuant to said Section 2(d)(iii) because the Company previously effected a registration of Common Stock wherein the Beneficiary exercised its Piggy Back Rights and received proceeds from the sale of its shares, or had the opportunity to exercise such rights but chose not to, or (ii) as a result of the pendency of any Blackout Period.~~

(ww) “Sales Agent” has the meaning set forth in Section 7.07 hereof.

(xx) ~~(rr)~~ “Start Date” means the date of the closing ~~on~~of the IPO.

~~(ss) — “Stock Agreement” has the meaning set forth in the Recitals hereof.~~

(yy) “Stock-Based Program” has the meaning set forth in Exhibit G-10 to the Form A Statement.

(zz) “Stock Restriction Period” has the meaning set forth in Exhibit G-10 to the Form A Statement.

~~(aaa) (tt) “Successor Trustee” has the meaning set forth in Section 9.04 hereof.~~ “Successor Trustee” has the meaning set forth in Section 9.04 hereof.

(bbb) “Ten Year Divestiture Deadline” means the tenth anniversary of the Start Date, extended day for day, up to a maximum of seven hundred and thirty (730) days, for each day the Company is not required to file a Registration Statement (i) in response to an actual Demand pursuant to Section 2(d)(iii) of the Registration Rights Agreement as a result of the Company’s having previously effected a registration of Common Stock, provided that there shall be no such extension if the Company is not required to file a Registration Statement pursuant to said Section 2(d)(iii) because the Company previously effected a registration of Common Stock wherein the Beneficiary exercised its Piggy-Back Rights and received proceeds from the sale of its shares, or had the opportunity to exercise such rights but chose not to, or (ii) as a result of the pendency of any Blackout Period.

(ccc) ~~(uu)~~ “Three Year Divestiture Deadline” means the third anniversary of the Start Date, extended day for day, up to a maximum of three hundred sixty five (365) days, for each day the Company is not required to file a Registration Statement (i) in response to an actual Demand pursuant to Section 2(d)(iii) of the Registration Rights Agreement as a result of the Company’s having previously effected a registration of Common Stock, provided that there shall be no such extension if the Company is not required to file a Registration Statement pursuant to said Section 2(d)(iii) because the Company previously effected a registration of Common Stock wherein the Beneficiary exercised its Piggy-Back Rights and received proceeds from the sale of its shares, or had the opportunity to exercise such rights but chose not to, or (ii) as a result of the pendency of any Blackout Period.

(ddd) ~~(vv)~~ “Transaction Documents” means the documents and agreements listed in Annex A attached hereto.

(eee) “Transfer Agreement” has the meaning set forth in the Recitals hereof.

(fff) “Transferability” has the meaning set forth in the Articles of Incorporation.

(ggg) ~~(ww)~~ “Trustee” has the meaning set forth in the Preamble hereof.

~~(hhh) (xx) “Underwritten Offering” has the meaning set forth in Section 1 of the Registration Rights Agreement.~~ “Underwritten Offering” has the meaning set forth in Section 1 of the Registration Rights Agreement.

(iii) “Voting Ownership Limit” means, subject to the limitations in the next sentence, the amount of the Voting Shares. In the event that the BCBSA does not approve of the Beneficiary and the Alaska Health Foundation Beneficially Owning, in the aggregate, a number of shares of Capital Stock representing five percent (5%) or more of the Voting Power of all shares of Capital Stock issued and outstanding at the time of determination outside of their respective Voting Trusts, then the Voting Ownership Limit under this Agreement and the Alaska

Voting Ownership Limit under the Alaska Voting Trust Agreement will be equal, in the aggregate, to the number of shares of Capital Stock equal to one share lower than the number of shares of Capital Stock which would represent five percent (5%) of the Voting Power of all shares of Capital Stock issued and outstanding at the time of determination, and "Voting Ownership Limit" shall then mean the Beneficiary's portion of such shares based on an allocation mutually agreed upon by the Beneficiary and the Alaska Health Foundation; provided, however, that in the event that the Beneficiary and the Alaska Health Foundation are unable to agree on such allocation, then the "Voting Ownership Limit" for the Beneficiary shall be equal to the full amount of the Voting Shares and the Alaska Voting Ownership Limit shall be zero shares.

(iii) ~~(yy)~~ "Voting Power" has the meaning set forth in the Articles of Incorporation.

(kkk) "Voting Shares" means the number of shares of Capital Stock equal to one share lower than the number of shares of Capital Stock which would represent five percent (5%) of the Voting Power of all shares of Capital Stock issued and outstanding at the time of determination.

(lll) ~~(zz)~~ "Voting Trust" means the voting trust established by this Agreement.

~~(aaa) "Washington Charitable Organization" means •, a Washington nonprofit corporation.~~

ARTICLE II

DEPOSIT OF STOCK

Section 2.01. Delivery of Capital Stock. Subject to Section 3.02 below, Beneficiary shall make such contributions to the Voting Trust of shares of Capital Stock ~~as are necessary so~~ that Beneficiary may Beneficially Own ~~no~~ from time to time such that the number of shares of Capital Stock Beneficially Owned by Beneficiary outside of the Voting Trust. ~~The shall never exceed the Voting Ownership Limit. As of the date hereof, the~~ Trustee hereby acknowledges receipt of • shares of Common Stock acquired by Beneficiary pursuant to the ~~Stock Agreement. Except for any taxes or costs that the Company has a right to be indemnified for by Beneficiary pursuant to the Indemnification Agreement, the~~ Transfer Agreement. The Company shall pay any transfer taxes and costs imposed upon the transfer of the shares of Capital Stock Beneficially Owned by the Beneficiary to the Voting Trust at the time of the initial transfer contemplated by this Section ~~2.01, and the~~ 2.01. The Beneficiary shall ~~pay~~ remit to the Company any refunds of such ~~transfer~~ taxes or costs ~~thereafter~~ that are paid to the Beneficiary, other than in the case of any such taxes and costs so refunded that were initially paid by the Beneficiary.

Section 2.02. Certificate Book and Inspection of Agreement. The Trustee shall keep at the address set forth in Section 12.03 hereof correct books of account of all the Trustee's business and transactions relating to the Voting Trust, and a book setting forth the number of shares of Capital Stock held by the Voting Trust. A duplicate of this Agreement and any

extension hereof shall be filed with the Secretary of the Company and shall be open to inspection by a shareholder upon the same terms as the record of shareholders of the Company is open to inspection.

ARTICLE III

BENEFICIARY'S INTEREST IN COMMON STOCK

Section 3.01. Retained Interest. Subject to the powers, duties and rights of the Company and the Trustee set forth herein and further subject to the terms of this Agreement, the Registration Rights Agreement, the Articles of Incorporation and the Bylaws, the Beneficiary shall retain the entire economic and beneficial ownership rights in all of the shares of Capital Stock held in the Voting Trust.

Section 3.02. Withdrawal of Shares from Trust. The Beneficiary shall not be entitled to withdraw any shares of Capital Stock from the Voting Trust except to sell its entire Beneficial Ownership interest in such shares of Capital Stock provided that (i) such shares of Capital Stock shall be registered in the name of the purchaser thereof before being withdrawn from the Voting Trust, (ii) such sale of shares of Capital Stock shall not be to an Affiliate of the Beneficiary, ~~the Washington Charitable Organization~~, or the Alaska ~~Charitable Organization~~ Health Foundation, (iii) except as provided in Section 5.02, such sale of shares of Capital Stock shall not, to the Knowledge of the Beneficiary, be made to any Person Beneficially Owning any shares of Capital Stock in excess of the Ownership Limit applicable to such Person, (iv) except as provided in Section 5.02, such sale of shares of Capital Stock shall not, to the Knowledge of the Beneficiary, result in any Person Beneficially Owning any shares of Capital Stock in excess of the Ownership Limit applicable to such Person, and (v) such sale of shares of Capital Stock shall otherwise be permitted pursuant to this Agreement, the Registration Rights Agreement, the Articles of Incorporation and the Bylaws. Except as set forth in this Section ~~3.02 and in Section 5.02, 3.02~~, the Beneficiary shall not transfer any of its retained rights or interest in shares of Capital Stock held in the Voting Trust. Any shares of Capital Stock withdrawn in accordance with this Section 3.02 or Section 5.02 shall, upon withdrawal, cease to be subject to the terms and conditions of this Agreement. ~~In connection with any such withdrawal of shares of Capital Stock from the Voting Trust, the Beneficiary shall deliver to the Trustee and~~ If at any time the Company shall issue additional shares of Capital Stock (an "Additional Issuance"), and as a result of such Additional Issuance the number of shares of Capital Stock held by Beneficiary outside of the Voting Trust shall be less than the Voting Ownership Limit (the amount of such shortfall being referred to hereafter as the "Difference"), Beneficiary shall be permitted to withdraw from the Voting Trust (in accordance with the procedures specified below) up to such number of shares of Capital Stock as shall be equal to the Difference (a "Permitted Withdrawal"). The Company shall notify the Trustee and Beneficiary in writing within five (5) Business Days of the occurrence of any Additional Issuance (which notice shall include the type and number of additional shares of Capital Stock issued) (an "Additional Issuance Notice").

Beneficiary shall notify the Company and the Trustee in writing within five (5) business days following its receipt of an Additional Issuance Notice if it wishes to exercise a Permitted Withdrawal (an "Election Notice"). In the event Beneficiary shall deliver an Election Notice as specified in the preceding sentence, the Company and Beneficiary shall jointly prepare and deliver to the Trustee within two (2) Business Days after the Company~~an Officers' Certificate stating to the best knowledge of the signers that the withdrawal is in compliance with clauses (i) through (v) and any such other information as may be reasonably requested by the Trustee or the Company~~'s receipt of the Election Notice a certificate certifying the type and number of shares of Capital Stock that shall comprise the Permitted Withdrawal (a "Withdrawal Certificate"). Any such Permitted Withdrawal shall be effected as promptly as practical after the Trustee's receipt of a Withdrawal Certificate. The Trustee and the Company shall cause the shares so withdrawn to be registered in the name of Beneficiary or its nominee before being so withdrawn. For purposes of calculating the Voting Ownership Limit under this Section 3.02, an Additional Issuance of securities exercisable, convertible or exchangeable into Common Stock will be included in the calculation of the voting power of all shares of issued and outstanding Capital Stock at the time such shares are exercised, converted or exchanged for Common Stock.

ARTICLE IV

TRUSTEE'S POWERS AND DUTIES

Section 4.01. Limits on Trustee's Powers. The Trustee shall have only the powers set forth in this Agreement. It is expressly understood and agreed by the parties hereto that under no circumstances shall the Trustee be personally liable for the payment of any indebtedness or expenses of this Agreement or be liable for the breach or failure of any obligation, representation, warranty, or covenant made or undertaken by the Trustee under this Agreement, except as set forth in this Agreement.

Section 4.02. Right to Vote. With respect to all shares of Capital Stock held in the Voting Trust, the Trustee shall have the exclusive and absolute right in respect of such shares of Capital Stock to vote, assent or consent such shares of Capital Stock at all times during the term of this Agreement, subject to Section 4.03 hereof, ~~including, without limitation, the right to vote at any election of directors and in favor of or in opposition to any resolution, dissolution, liquidation, merger or consolidation of the Company, any sale of all or substantially all of the Company's assets, any issuance or authorization of securities, or any action of any character whatsoever which may be presented at any meeting or require the consent of the shareholders of the Company.~~

Section 4.03. Voting on Particular Matters. In exercising the Trustee's powers and duties under this Agreement, subject to Section 4.04 hereof, the Trustee shall at all times vote, assent or consent all shares of Capital Stock held in the Voting Trust as follows:

(a) if the matter concerned is the election of directors of the Company, the Trustee shall vote, assent or consent the whole number of shares of Capital Stock held by the Voting Trust (x) in favor of each nominee to the Board of Directors whose nomination has been approved by an Independent Board Majority and vote against any candidate for the Board of Directors for whom no competing candidate has been nominated, selected or approved by an Independent Board Majority, and (y) if the nomination of a nominee has not been approved by an Independent Board Majority, in favor of such nominee if such nominee has been nominated by the Board of Directors in the manner provided in Section 5.03(b)(i) hereof;

(b) unless such action is initiated by or with the consent of an Independent Board Majority, the Trustee shall ~~(i) vote against removal of any director of the Company, (ii) vote against any alteration, amendment, change or addition to or repeal of the Bylaws or Articles of Incorporation, (iii) not nominate any candidate to fill any vacancy on the Board of Directors, (iv) not call any special meeting of the shareholders of the Company and not to make, submit or endorse any shareholder proposals to the Company, and (v) not take any action by voting shares~~

~~of Capital Stock held by the Voting Trust that would be inconsistent with or would have the effect, directly or indirectly, of defeating or subverting the voting requirements contained in this Section 4.03; and~~ vote against removal of any director of the Company;

(c) if the matter concerned is (x) an employee compensation plan (other than the approval of the Initial Equity Incentive Plan, as to which all shares of Capital Stock held by the Voting Trust or by the Beneficiary outside the Voting Trust shall be voted in accordance with Section 4.03(e) below, or a subsequent amendment to said Initial Equity Incentive Plan or any new Stock-Based Program that would be effective during the Stock Restriction Period, provided, that any such new Stock-Based Program shall not have been submitted to a shareholder vote for approval prior to the date which is twelve (12) months prior to the end of the Stock Restriction Period, as to which all shares of Capital Stock held by the Voting Trust or by the Beneficiary outside the Voting Trust shall be voted in accordance with Section 4.03(d) below) for which stockholder approval is sought or (y) a precatory stockholder proposal (i.e., advisory proposals made by a stockholder of the Company pursuant to Rule 14a-8 promulgated under the Exchange Act (or in any successor provision) that merely recommended or requested that the Board of Directors or the Company take certain action), the Trustee shall vote all Capital Stock held by the Voting Trust in the same proportions as the shares voted by all holders of Capital Stock other than shares voted by (i) the Voting Trust, (ii) the Beneficiary, (iii) the Alaska Health Foundation and (iv) directors, officers, trustees of any employee benefit plans of the Company and other Affiliates of the Company (whether acting in their individual ownership or fiduciary capacities or pursuant to a discretionary proxy (other than any revocable proxy given by a stockholder other than a director, officer, trustee of any Company employee benefit plan or other Affiliate of the Company in response to a solicitation of proxies by the Board of Directors of the Company) or other discretionary delegation of the right to direct the voting of another stockholder's shares of Capital Stock);

(d) if the matter concerned is an Approved Change of Control Proposal, a subsequent amendment to the Initial Equity Incentive Plan or any new Stock-Based Program that would be effective during the Stock Restriction Period, provided, that any such new Stock-Based Program shall not have been submitted to a shareholder vote for approval prior to the date which is twelve (12) months prior to the end of the Stock Restriction Period, the Trustee shall vote all Capital Stock held by the Voting Trust as directed by the Beneficiary, in its sole discretion; and

(e) ~~(e)~~ to the extent not otherwise covered by Section 4.03(a), Section 4.03(b), Section 4.03(c) or Section 4.03(bd) hereof, the Trustee shall vote in accordance with the recommendation of the Independent Board Majority.

Section 4.04. Presence at Meetings. The Trustee shall ensure, with respect to the shares of Capital Stock held in the Voting Trust hereunder, that such shares of Capital Stock are counted as being present for the purposes of any quorum required for shareholder action of the Company and, to vote, assent or consent as set forth in this Article IV so long as the Trustee (i) has reasonable notice of the time to vote, assent or consent (and the Trustee shall be deemed to

have reasonable notice if it shall receive notice within the time periods under the applicable provisions of the Revised Code of Washington), or (ii) has waived such notice.

Section 4.05. Sales. The Trustee shall have no authority to sell any of the shares of Capital Stock deposited pursuant to the provisions of this Agreement, unless expressly permitted pursuant to the terms hereof. Upon the sale of shares of Capital Stock in accordance with the terms hereof, the Trustee shall deliver or cause to be delivered certificates representing such shares of Capital Stock to the Person entitled thereto.

Section 4.06. Contrary Instructions. The Trustee shall not follow any instruction of the Beneficiary if such instruction is contrary to the terms of this Agreement, unless such contrary instruction shall be agreed to in writing by the Beneficiary and the Company.

Section 4.07. Execution by Trustee. The Trustee shall execute all documents as follows:

By: [Trustee], not in its individual capacity, but solely as Trustee.

By: _____
Name: _____
Title: _____

ARTICLE V

STANDSTILL

Section 5.01. Acquisition of Capital Stock.- Throughout the term of this Agreement, the Beneficiary shall not, directly or indirectly, (i) individually, or as part of a group, acquire, offer or propose to acquire, or agree to acquire, by purchase or otherwise, Beneficial Ownership of any additional shares of Capital Stock, or direct or indirect rights or options to acquire (through purchase, exchange, conversion or otherwise) Beneficial Ownership of any shares of Capital Stock (except by reason of stock dividends, stock splits, spinoffs, mergers, recapitalizations, combinations, conversions, exchanges of shares, or the like), or (ii) enter into any agreement, arrangement or understanding, other than (A) for the sale of shares of Capital Stock in accordance with Section 3.02 hereof and the Registration Rights Agreement, or (B) with any Person, ~~other than the Company, that would have the effect of increasing such Person's or the Beneficiary's Beneficial Ownership in any shares of Capital Stock~~ that is not prohibited by Section 5.02 below.

Section 5.02. Sale of Capital Stock. Notwithstanding anything in this Agreement to the contrary, the Beneficiary shall not sell or otherwise dispose of any shares of Capital Stock to any Person, or enter into any agreement or other obligation to do so, whether in a private placement, pursuant to a registered offering of securities or otherwise, if, to the Knowledge of Beneficiary

(i) such Person Beneficially Owns an amount of Capital Stock in excess of the Ownership Limit applicable to such Person, or (ii) the effect of such sale or other disposition would be to cause such Person to Beneficially Own an amount of Capital Stock which would exceed the Ownership Limit applicable to such Person; ~~provided, however, that if an Independent Board Majority approves or recommends that the holders of Capital Stock accept a tender offer or similar transaction or proposal for the purchase of Capital Stock, the Beneficiary shall, upon the request of an Independent Board Majority, agree to sell up to all of the Capital Stock it Beneficially Owns upon such terms as approved or recommended by an Independent Board Majority generally to all then Beneficial Owners of Capital Stock.~~

Section 5.03. Nomination of Directors. ~~The~~(a) Subject to Section 5.03(b) below, the Beneficiary shall not itself, nor shall it initiate, suggest or otherwise encourage the Board of Directors or any other Person to, (i) nominate any individual as a candidate for election to the Board of Directors, or (ii) appoint any individual to fill any vacancy on the Board of Directors. The Beneficiary shall not support, endorse or otherwise encourage the election of any candidate for election to the Board of Directors other than a candidate or candidates nominated by an Independent Board Majority except as set forth in Section 5.03(b) below.

(b)(i) Notwithstanding the foregoing, for so long as the Beneficiary Beneficially Owns 5% or more of the issued and outstanding Capital Stock, but in no event for a period of time longer than five (5) years from the date hereof, the Beneficiary and the Alaska Health Foundation (so long as the Alaska Health Foundation Beneficially Owns 5% or more of the issued and outstanding Capital Stock) will jointly have the right to propose a slate of three (3) individuals from which the Board of Directors will nominate one (1) such individual to serve as a member of the Board of Directors (the "Designated Member"). If none of such proposed individuals (or any additional proposed individuals) are reasonably acceptable to the Board of Directors for election to the Board of Directors, the Board of Directors will promptly notify the Beneficiary and the Alaska Health Foundation (if applicable) of such determination, and at the Beneficiary's request shall consult with the Beneficiary concerning the factors involved in such determination, and the Beneficiary and the Alaska Health Foundation (if applicable) will jointly propose one or more additional individuals from which the Board of Directors will choose. Each of the individuals proposed by the Beneficiary and the Alaska Health Foundation (if applicable) must (i) qualify as an Independent Director, (ii) have experience with public companies as either a board member, an executive officer, or a partner/managing director at a nationally-recognized: (A) accounting firm registered with the Public Company Accounting Oversight Board, (B) investment banking firm or (C) strategic management consulting firm, (iii) not hold an elective or appointive full-time governmental office or be an employee of any governmental body or agency or have held such office in the states of Washington or Alaska or have been so employed in the states of Washington or Alaska for the prior three (3) years and (iv) acknowledge in writing that notwithstanding his or her designation by the Beneficiary, he or she owes fiduciary duties to all stockholders to the same extent as the other members of the Board of Directors. For so long as the Beneficiary has the rights set forth in the first sentence of this Section 5.03(b)(i), the Designated Member shall be submitted to the stockholders of the Company for election in the

manner by which a Qualified Candidate (as defined in the Bylaws of the Company) is submitted to the stockholders for election by the Independent Board Majority. The Designated Member shall be a Class II director whose term shall expire in two years. The Designated Member shall have the rights regarding positions on the Board of Directors and on committees of the Board of Directors as set forth in Articles II and III of the Bylaws. For so long as the Beneficiary has the rights set forth in the first sentence of this Section 5.03(b)(i), in the event the Designated Member resigns before the end of his or her term and at the end of the Designated Member's term, the Beneficiary and the Alaska Health Foundation (if applicable) shall be entitled to jointly propose a new Designated Member in accordance with the procedures established by this Section 5.03(b)(i). In the event that this Agreement is terminated pursuant to Section 10.01 hereunder, the Designated Member nominated and elected pursuant to this Section 5.03(b)(i) shall continue to serve on the Board of Directors until the end of his or her term.

(ii) So long as the Beneficiary Beneficially Owns 5% or more of the issued and outstanding Capital Stock, but in no event for a period of time longer than five (5) years from the date hereof and subject to the provisions of this Section 5.03(b)(ii), the Company acknowledges and agrees that the Designated Member may, from time to time, but in no event on less than a quarterly basis, meet with the members of the board of the Beneficiary to discuss matters involving the Company and relevant to the Beneficiary's investment in the Company. Any such communications between the Designated Member and the members of the board of the Beneficiary will be conducted on a confidential basis (and not in any meeting of the members of the board of the Beneficiary that may be open to the public) in compliance with the confidentiality agreement in the form agreed to by the parties (as it may be amended from time to time) (the "Confidentiality Agreement") and attached hereto as Exhibit B.

Section 5.04. Acquisition Proposals. The Beneficiary shall not solicit or encourage inquiries or proposals with respect to, or provide any confidential information to, or have any discussions, meetings or other communications with, any Person relating to an Acquisition Proposal or a Change of Control Proposal; *provided, however*, that the Beneficiary may have discussions with any Person concerning the sale or disposal of shares of Capital Stock Beneficially Owned by the Beneficiary in accordance with Section 3.02 hereof and the Registration Rights Agreement to the extent such proposed sale or disposal of shares would not otherwise have the effect, if consummated, of violating the strictures of this Section 5.04. The Beneficiary shall not itself, and it shall not suggest or otherwise encourage the Company or any other person to request the Board of Directors of the Company to consider, support or seek any Acquisition Proposal or Change of Control Proposal or take any action designed, intended or likely to result in an acquisition or change of control proposal being entered into or consummated.

Section 5.05. Contacts. The Beneficiary shall not meet or otherwise communicate with any Person that, to the Knowledge of the Beneficiary, is seeking to acquire shares of Capital Stock in excess of the Ownership Limit applicable to such Person to the extent that such meeting or other communication relates to such acquisition of shares of Capital Stock, an Acquisition

Proposal or a Change of Control Proposal. The Beneficiary shall promptly advise the Company in writing if the Beneficiary or any of its representatives shall have received a communication, contact or inquiry relating to an Acquisition Proposal or a Change of Control Proposal and shall promptly advise the Company of all information available to the Beneficiary concerning such communication, contact, or inquiry relevant to such Acquisition Proposal or Change of Control Proposal. The Company shall notify the Beneficiary of the Company's position and the basis therefor with respect to such matter promptly upon consideration thereof, and the consideration of such matter shall be in accordance with the fiduciary duties of the Company's Board of Directors and management.

Section 5.06. Litigation. The Beneficiary shall not allege or claim, and shall not initiate, join as a party in, or otherwise support, any litigation, suit or cause of action that alleges that (i) any of the Basic Protections, this Agreement or any provisions of the Articles of Incorporation or Bylaws are not enforceable in accordance with their terms, (ii) the Board of Directors should not enforce the Basic Protections, the Company's rights under this Agreement or the ~~Stock~~Transfer Agreement, or provisions of the Articles of Incorporation or Bylaws in any particular case or circumstance, or (iii) the Board of Directors should approve, adopt, disapprove, or abandon any particular Acquisition Proposal or Change of Control Proposal. Notwithstanding anything in this Agreement to the contrary, the provisions of this Section 5.06 shall not be construed to prevent the Beneficiary from initiating or joining as a party in any litigation, suit or cause of action that alleges that the Company has breached any provision of the Articles of Incorporation, the Bylaws, or this Agreement.

Section 5.07. Solicitations of Proxies; Shareholder Proposals. The Beneficiary shall not (i) solicit proxies from shareholders of the Company, (ii) become a "participant" (as defined in Instruction 3 to Item 4 to Schedule 14A promulgated under the Securities Exchange Act of 1934, as amended, or a successor definition if such definition is no longer effective) in any solicitation of proxies from shareholders of the Company, (iii) call any special meeting of shareholders of the Company, or (iv) initiate, solicit or endorse any shareholder proposals to the Company. For purposes of this Section 5.07, the following actions by the Beneficiary shall not result in its being a "participant" in a proxy solicitation: (w) voting shares of Capital Stock Beneficially Owned by the Beneficiary, (x) selling shares of Capital Stock Beneficially Owned by the Beneficiary in connection with a tender offer, (y) executing and furnishing the Company or any other Person with a revocable proxy, or (z) publicly announcing the Beneficiary's vote (and its reasons therefor) on any matter submitted to the shareholders of the Company, in each case as otherwise permitted by this Agreement.

ARTICLE VI

~~OBSERVATION AND CONSULTATION RIGHTS~~

~~Section 6.01. — Observation Rights. For as long as the Beneficiary owns at least 5% of the outstanding Capital Stock, the Company shall have the right to designate up to three (3) individuals (each an “Observer” and collectively, the “Observers”) to be present at and observe the meetings of the board of directors of the Beneficiary, including, but not limited to, any executive sessions, any meetings held by telephone or video teleconferencing or any meetings where at least a quorum of the Beneficiary’s directors are present, and any meeting of any committee of the Beneficiary’s board of directors or that is composed of the Beneficiary’s directors (the “Meetings”). The Beneficiary shall provide to the Observers, at such address as the Observers shall provide to the Beneficiary from time to time, (i) written notice of any Meeting (A) at least 10 days in advance for a regularly scheduled Meeting and at least 3 days in advance for non-regularly scheduled Meeting, or (B) at the same time as the Directors of the Beneficiary, whichever is greater, and (ii) copies of any materials or documents to be presented, discussed or used, including the agenda thereof, at such Meeting (A) at least 3 days before the Meeting at which such materials or documents are to be discussed or presented, or (B) at the same time as the Directors of the Beneficiary, whichever is greater. The Observers shall also have the right to (x) observe any Meeting, (y) speak and participate in deliberations at any Meeting, and (z) inspect the minutes of any Meeting and any of the other books and records of the Beneficiary. The rights set forth in the two preceding sentences are collectively referred to herein as the “Observation Rights”.~~

~~Section 6.02. — Limitations on the Observation Rights. The Observers shall (i) not have the power to vote at any Meeting, (ii) not owe any fiduciary duty towards the Beneficiary, and (iii) not disclose any confidential non-public information obtained solely while exercising such Observers’ Observation Rights (the “Foundation Confidential Information”) to any other person except the Company, its directors, officers, employees and agents. Without the consent of the Beneficiary (such consent not to be unreasonably withheld), the Company, its officers, directors, employees, and agents shall agree not to disclose the Foundation Confidential Information, except as required by (A) any applicable law or administrative rule, (B) any judicial or administrative order, or (C) any contract or agreement to which the Company is a party.~~

Section 6.01. ~~Section 6.03. — Consultation Rights.~~ For so long as the Beneficiary Beneficially Owns more than ~~fifty~~twenty percent (~~50~~20%) of the outstanding Capital Stock, the Company shall consult with the Beneficiary prior to entering into a definitive agreement regarding an Acquisition Proposal or Change of Control Proposal; *provided, however*, that the consultation rights set forth in this Section ~~6.02~~6.01 shall in no way be deemed to alter, modify or amend the provisions of Article IV or V hereof or create for the Company any duty or obligation to take or refrain from taking any particular action as a result of such consultation. The Beneficiary shall comply with the same confidentiality and non-disclosure obligations that apply to directors and officers of the Company and with the provisions of the Confidentiality

Agreement with respect to all information obtained by the Beneficiary in connection with any such consultation. Nothing in this Agreement shall be construed to limit the rights of the Beneficiary as a shareholder of the Company to communicate with the Board of Directors of the Company regarding Acquisition Proposals or Change of Control Proposals or, except as otherwise provided in Section 5.07 hereof, any other matter pertaining to the Company. The Company and the Beneficiary shall keep confidential the contents of all such communications from the Beneficiary, provided that either party may disclose the contents of such communications if required by law, subject to the Confidentiality Agreement.

ARTICLE VII

AGREEMENT TO DIVEST SHARES OF CAPITAL STOCK

Section 7.01. Sale of Beneficiary's Capital Stock by First Anniversary. (a) Subject to the Beneficiary's obligations in Section 7.01(b), Section 7.02, Section 7.03 and Section 7.04, the Beneficiary will, to the extent consistent with its duties and obligations and purposes and taking into account market conditions, reduce its Beneficial Ownership of Capital Stock in a prudent and reasonably prompt manner. The Company will likewise use its commercially reasonable efforts, in response to reasonable requests from the Beneficiary, and subject to the terms of the Registration Rights Agreement, to facilitate the Beneficiary's reduction in its Beneficial Ownership of Capital Stock.

(b) The Beneficiary hereby covenants and agrees that it shall sell, convey, or otherwise dispose of shares of Capital Stock (so that the Beneficiary is no longer a Beneficial Owner of such shares of Capital Stock) so that the Beneficiary and the Alaska Health Foundation together Beneficially ~~Owns~~Own less than eighty percent (80%) of the issued and outstanding shares of each class of Capital Stock (other than Class B Common Stock) on or prior to the One Year Divestiture Deadline. Any such disposition shall comply with the terms of this Agreement, the Registration Rights Agreement, the Articles of Incorporation, and the Bylaws. The requirements under this Section 7.01(b) shall be eliminated only if the Company receives approval from the BCBSA for such elimination.

Section 7.02. Sale of Beneficiary's Capital Stock by Third Anniversary. The Beneficiary hereby covenants and agrees that it shall sell, convey, or otherwise dispose of shares of Capital Stock (so that the Beneficiary is no longer a Beneficial Owner of such shares of Capital Stock) so that the Beneficiary and the Alaska Health Foundation together Beneficially ~~Owns~~Own less than fifty percent (50%) of the issued and outstanding shares of each class of Capital Stock (other than Class B Common Stock) on or prior to the Three Year Divestiture Deadline. Any such disposition shall comply with the terms of this Agreement, the Registration Rights Agreement, the Articles of Incorporation, and the Bylaws.

Section 7.03. Sale of Beneficiary's Capital Stock by ~~Sixth~~Fifth Anniversary. The Beneficiary hereby covenants and agrees that it shall sell, convey or otherwise dispose of shares of Capital Stock (so that the Beneficiary is no longer a Beneficial Owner of such shares of Capital Stock) so that the Beneficiary ~~Beneficially Owns less than five percent (5%) of the issued and outstanding shares of each class of Capital Stock on or prior to the Six Year Divestiture Deadline.~~ Any such disposition shall comply with the terms of this Agreement, the Registration Rights Agreement, the Articles of Incorporation, and the Bylaws and the Alaska Health Foundation together Beneficially Own less than twenty percent (20%) of the issued and outstanding shares of each class of Capital Stock (other than Class B Common Stock) on or prior to the Five Year Divestiture Deadline. Any such disposition shall comply with the terms of this Agreement, the Registration Rights Agreement, the Articles of Incorporation, and the Bylaws.

Section 7.04. Sale of Beneficiary's Capital Stock by Tenth Anniversary. The Beneficiary hereby covenants and agrees that it shall sell, convey or otherwise dispose of shares of Capital Stock (so that the Beneficiary is no longer a Beneficial Owner of such shares of Capital Stock) so that the Beneficiary and the Alaska Health Foundation together Beneficially ~~Own less than five percent (5%) of the issued and outstanding shares of each class of Capital Stock (other than Class B Common Stock) on or prior to the Ten Year Divestiture Deadline.~~ Any such disposition shall comply with the terms of this Agreement, the Registration Rights Agreement, the Articles of Incorporation, and the Bylaws.

Section 7.05. ~~Section 7.04.~~ Extension of Divestiture Deadlines Sought by Beneficiary. ~~Notwithstanding~~ Notwithstanding Section ~~7.01~~ 7.01, Section 7.02, Section 7.03 or Section ~~7.02~~ 7.04 hereof, the Company shall extend ~~the One Year~~ a Divestiture Deadline ~~and the Three Year Divestiture Deadline (but not the Six Year Divestiture Deadline), as the case may be,~~ if (i) the Beneficiary makes a good faith and reasonable determination (and provides the reasons therefor) that compliance with Section ~~7.01~~ 7.01, Section 7.02, Section 7.03 or Section ~~7.02~~ 7.04 hereof, as the case may be, would have a material adverse effect on the Beneficiary's ability to maximize the value of its assets or would be in conflict with its legal or fiduciary duties, (ii) the Beneficiary advises the Company of such determination in writing (and provides the reasons therefor) no later than ninety (90) days prior to the Divestiture Deadline and makes a reasonable request for an extension of the ~~One Year Divestiture Deadline or the Three Year Divestiture Deadline, as the case may be,~~ and (iii) the Company receives written confirmation from the BCBSA that the extension of the ~~One Year Divestiture Deadline or the Three Year Divestiture Deadline, as the case may be,~~ requested by the Beneficiary would not cause a violation of the license agreements governing the Company's use of the Marks. The Company shall not oppose the Beneficiary's request for an extension of ~~the One Year~~ a Divestiture Deadline ~~or the Three Year Divestiture Deadline, as the case may be,~~ and shall take reasonable steps, as reasonably requested by the Beneficiary, to assist the Beneficiary in its efforts to obtain an extension of ~~the One Year Divestiture Deadline or the Three Year Divestiture Deadline, as the case may be;~~ provided, however, that the Company shall have no obligation, among other things, to incur any fees or expenses for its own account in connection with such assistance a Divestiture Deadline. The Beneficiary acknowledges that, notwithstanding the scope or degree of assistance provided

by the Company, the BCBSA shall have the sole and absolute authority and discretion to determine whether to consent to an extension of ~~the One Year~~a Divestiture Deadline ~~or the Three Year Divestiture, as the case may be~~, but shall have no obligation to grant such consent, and that in no event shall the Company have any liability to the Beneficiary or any other Person in the event that the BCBSA shall determine to deny any such extension request.

Section 7.06. ~~Section 7.05.~~ Extension of Divestiture Deadlines Sought by Company. Notwithstanding Section ~~7.01~~7.01, Section 7.02, Section 7.03 or Section ~~7.02~~ 7.04 hereof, the Company shall extend ~~the One Year~~a Divestiture Deadline ~~or the Three Year Divestiture Deadline, (but not the Six Year Divestiture Deadline), as the case may be~~, if (i) the Company makes a good faith determination that compliance with Section ~~7.01~~7.01, Section 7.02, Section 7.03 or Section ~~7.02~~ 7.04 hereof, as the case may be, would have an adverse effect on the Company, or any of its shareholders other than the Beneficiary, and (ii) the Company receives written confirmation from BCBSA that the extension of ~~the One Year~~a Divestiture Deadline ~~or the Three Year Divestiture Deadline, as the case may be~~, requested by the Company would not cause a violation of the license agreement governing the Company's use of the Marks. The Beneficiary and the Company acknowledge that the BCBSA shall have the sole and absolute authority and discretion to determine whether to consent to an extension of ~~the One Year~~a Divestiture Deadline ~~or the Three Year Divestiture, as the case may be~~, but shall have no obligation to grant such consent, and that in no event shall the Company have any liability to the Beneficiary or any other Person in the event that the BCBSA shall determine to deny any such extension request.

Section 7.07. ~~Section 7.06.~~ Failure to Meet Divestiture Deadlines. In the event that the Beneficiary shall fail to meet ~~either the One Year~~a Divestiture Deadline ~~or the Three Year Divestiture Deadline, as the case may be~~, and an extension thereof shall not have been granted pursuant to Section ~~7.04~~7.05 or Section ~~7.05~~ 7.06 hereof, or shall fail to meet any extended ~~One Year~~a Divestiture Deadline ~~or Three Year Divestiture Deadline, as the case may be~~, that may have been granted pursuant to Section ~~7.04 or 7.05 and~~ Section ~~7.05~~ hereof, ~~or shall fail to meet the Six Year Divestiture Deadline, then the Company shall (i)~~ 7.06 hereof, then within ten (10) Business Days after such deadline, the Company shall provide a list to the Beneficiary of three (3) institutions, none of which shall be an Affiliate of the Company or the Beneficiary, none of which shall have had any business relationship with the Company or its Affiliates (other than in the capacity as Sales Agent (as defined below) pursuant to this Agreement) for the previous five (5) years, each constituting a nationally known investment banking firm that provides research coverage of participants in the HMO/managed care industry and makes a market in the Common Stock, and each providing a quotation of its fee for services as Sales Agent hereunder. Within ten (10) business days after delivery of such list, the Beneficiary shall select one institution (the "Sales Agent") from such list. The Sales Agent, the Beneficiary and the Company shall enter into an agreement within fifteen (15) days after selection of the Sales Agent providing for the payment to the Sales Agent by the Beneficiary of a reasonable fee for the services to be rendered by it and reimbursement to the Sales Agent by the Beneficiary of its reasonable expenses, obligating the Sales Agent to vote the Delinquent Shares as described in this Section 7.07, and

addressing the other applicable matters set forth in this Section 7.07. The Sales Agent shall arrange for the sale of the Delinquent Shares in as prompt a manner ~~(whether in private or public transactions) and at such time or times~~ as shall be commercially reasonable under the circumstances (giving effect to, among other things, market conditions and related matters) ~~or~~ ~~(ii) redeem the Delinquent Shares by exercising the Preliminary Option or the Continuing Option, as applicable, pursuant to Section 5 of the Registration Rights Agreement; provided, that subject~~ Subject to the foregoing, the Sales Agent and the Company shall have no liability to the Beneficiary ~~or~~ and any other Person on the grounds that ~~(A) the Company~~ Sales Agent failed to take actions which could have produced higher proceeds for the sale of the Delinquent Shares ~~or~~ ~~(B) the Company choose to sell the Delinquent Shares pursuant to clause (i) as opposed to redeeming the Delinquent Shares pursuant to clause (ii) or vice versa. In any such case, the~~ The Beneficiary, the Company and the Trustee shall promptly take all action reasonably requested by the ~~Company in order~~ Sales Agent to facilitate the sale of the Delinquent Shares, and the ~~Company~~ Sales Agent (or the transferee of the Delinquent Shares) shall be entitled to receive customary representations and warranties from the Beneficiary and the Trustee regarding the Delinquent Shares (including, without limitation, representations regarding good title to such shares, free and clear of all liens, claims, security interests and other encumbrances). The Sales Agent shall, to the extent permitted by law, also be entitled to receive such indemnification from the Company as is normal and customary in similar circumstances. Until sold, the Delinquent Shares shall be voted ~~by the Trustee as directed by~~ in accordance with the recommendation of the Independent Board Majority on all matters. Upon the sale of the Delinquent Shares, the Trustee shall deliver the shares to the purchaser thereof as directed by the ~~Company~~ Sales Agent, and all proceeds from such sale, less ~~all expenses incurred by the Company~~ the agreed upon fees and expense reimbursement of the Sales Agent, shall be distributed to the Beneficiary as soon as practicable. The periods of time set forth in this Section 7.07 may be extended at any time by mutual written agreement of the Company and the Beneficiary and notice to the Trustee.

Section 7.08. Divestiture Allocation. For purposes of Section 7.01(b), Section 7.02, Section 7.03, Section 7.04 and Section 7.07 hereof and for so long as both the Beneficiary and the Alaska Health Foundation Beneficially Own shares of Capital Stock, the allocation of the divestiture thresholds and the allocation of any Delinquent Shares, in each case between the Beneficiary and the Alaska Health Foundation, shall be based on the initial pro-rata allocation of the shares of Capital Stock (other than Class B Common Stock) between the Beneficiary and the Alaska Health Foundation unless otherwise agreed to in writing by the Beneficiary and the Alaska Health Foundation.

ARTICLE VIII

DIVIDENDS AND DISTRIBUTIONS

Section 8.01. Cash. The Beneficiary shall be entitled to receive payments equal to the amount of cash dividends, if any, collected or received by the Trustee or its successor upon the

number of shares of Capital Stock held in the Voting Trust, subject to deduction in respect of expenses, charges or fees pursuant to Section 9.02 or 9.03 hereof. The Trustee and the Company shall arrange for the direct payment by the Company of all or a portion (as provided in the preceding sentence) of such cash dividends to the Beneficiary.

Section 8.02. Stock. In the event that the Trustee shall receive, as a dividend or other distribution upon any shares of Capital Stock held by the Trustee under this Agreement, any shares of stock or securities convertible or exchangeable into stock of the Company, the Trustee shall hold the same and said shares shall be subject to all of the terms and conditions of this Agreement to the same extent as if originally deposited hereunder.

Section 8.03. Other Distributions. In the event that, at any time during the term of this Agreement, the Trustee shall receive or collect any monies through a distribution by the Company to its shareholders, other than in payment of cash dividends, or shall receive any property (other than shares of Capital Stock or securities convertible into or exchangeable for Capital Stock) through a distribution by the Company to its shareholders, the Trustee shall distribute the same to the Beneficiary, subject to deduction in respect of expenses, charges or fees pursuant to Section 9.02 or 9.03 hereof.

ARTICLE IX

THE TRUSTEE

Section 9.01. Use of Proxies. The Trustee may vote, assent or consent with respect to all shares of Capital Stock held in the Voting Trust in person or by such person or persons as it may from time to time select as its proxy, provided that the Trustee shall at all times do so in conformity with the provisions of Article IV.

Section 9.02. Expenses. The Trustee is expressly authorized to incur and pay such reasonable expenses and charges, to employ and pay such agents, attorneys and counsel, and to incur and pay such other charges and expenses as the Trustee may deem reasonably necessary and proper for negotiating and administering this Agreement. Prior to the IPO, the Company shall reimburse the Trustee for any such expense and charges. After the IPO, the Company and the Beneficiary shall be ~~solely~~equally responsible for such expenses and charges, which may be deducted from the cash dividends or other monies received by the Trustee on the shares of Capital Stock deposited hereunder to the extent payable and unreimbursed by the Beneficiary.

Section 9.03. Compensation. ~~Prior to the IPO, the~~The Company shall ~~compensate~~pay all compensation to the Trustee for its services as Trustee hereunder ~~as from the date hereof through the first anniversary of the Start Date. Thereafter, the Company and Beneficiary shall split equally the compensation paid to the Trustee for its services as Trustee hereunder for the balance of the term of this Agreement. The specifics of the Trustee's compensation are~~ provided in the

Trustees' fee schedule, attached hereto as Exhibit A. ~~After the IPO, the Beneficiary shall solely responsible for such compensation, which may be deducted from the cash dividends or other monies received by the Trustee on the shares of Capital Stock deposited in the Voting Trust, to the extent otherwise unpaid by the Beneficiary.~~

Section 9.04. Successor Trustee. The Trustee may resign after giving thirty (30) days' advance written notice of its resignation to the Company and the Beneficiary, provided that such resignation shall not become effective until a reasonably competent alternate (the "Successor Trustee") shall have become bound by this Agreement. The Company and the Beneficiary may ~~in addition~~each terminate the Trustee after giving thirty (30) days' advance written notice thereof to the Trustee (with a copy to the other party), provided that such termination of the Trustee shall not become effective until a Successor Trustee shall have become bound by this Agreement. If the Trustee shall resign or be so terminated by the Company or the Beneficiary, the Trustee shall be replaced by a Successor Trustee. The Successor Trustee shall be designated by the Beneficiary and shall be reasonably acceptable to the Company. The Successor Trustee shall enjoy all the rights, powers, interests and immunities of the Trustee originally designated and shall agree in writing to be bound by this Agreement.

Section 9.05. Qualifications of Trustee. Throughout the term of the Voting Trust, the Trustee or Successor Trustee, as the case may be, must satisfy each of the following qualifications: (i) the Trustee or Successor Trustee, as the case may be, must be an institution duly authorized to act as such a Trustee or Successor Trustee under the laws of the State of Washington, (ii) the Trustee or Successor Trustee, as the case may be, must, either on an individual basis or on a consolidated basis together with its subsidiaries and affiliates, have minimum shareholders' equity of \$500,000,000, (iii) the Trustee or Successor Trustee, as the case may be, must not own for its own account more than one percent (1%) of the issued and outstanding securities of the Company, and (iv) no director, or officer of the Trustee or any Successor Trustee, as the case may be, may serve as a director or officer of the Company, the Beneficiary, ~~the Washington Charitable Organization,~~ or the Alaska ~~Charitable Organization~~Health Foundation (and no director or officer of the Company, the Beneficiary ~~the Washington Charitable Organization,~~ or the ~~Charitable Organization~~Alaska Health Foundation shall serve as a director or officer of the Trustee or Successor Trustee, as the case may be). In the event that the Trustee or Successor Trustee, as the case may be, shall fail to meet any of the conditions set forth in this Section 9.05, the Company and the Beneficiary shall replace the Trustee or the Successor Trustee, as the case may be, as provided in Section 9.04 hereof.

Section 9.06. Trustee's Liability. The Trustee shall not be liable for any act or omission undertaken in connection with its powers and duties under this Agreement, except for any willful misconduct or gross negligence by Trustee. No Successor Trustee shall be liable for actions or omissions of the Trustee or any other Successor Trustee. The Trustee shall not be liable in acting on any written notice, request, consent, certificate, instruction, or other paper or document or signature reasonably believed by it to be genuine and to have been signed by the proper party. The ~~Beneficiary~~Company covenants and agrees to indemnify and hold harmless the Trustee and

its affiliates, directors, officers, employees, agents and advisors (each an “Indemnified Party”), without duplication, from and against any and all claims, damages, losses, liability, obligations, actions, suits, costs, disbursements and expenses (including without limitation reasonable fees and expenses of counsel) incurred by any Indemnified Party, in any way relating to or arising out of or in connection with or by reason of the preparation for a defense of any investigation, litigation or proceeding arising out of this Agreement or the shares of Capital Stock held pursuant to this Agreement, the administration of this Agreement or the action or inaction of the Trustee hereunder, except to the extent such claim, damage, loss, liability, obligation, action, suit, cost, disbursement or expense results from (a) such Indemnified Parties’ gross negligence or willful misconduct— or (b) an express written instruction given by the Beneficiary to the Trustee to perform a particular act or service on behalf of the Beneficiary. In the case of any such claim, damage, loss, liability, obligation, action, suit, cost, disbursement or expense resulting from an express instruction given by the Beneficiary to the Trustee to perform a particular act or service on behalf of the Beneficiary, the Beneficiary shall indemnify the Indemnified Party to the same extent, and subject to the same limitations, as set forth in this Section 9.06. The indemnity set forth in this Section 9.06 shall be in addition to any other obligation or liabilities of the Beneficiary hereunder or at common law or otherwise and shall survive the termination of this Agreement.

Section 9.07. Duties of Trustee. The Trustee undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Company and the Beneficiary shall be bound:

(a) The Trustee may consult with legal counsel (reasonably competent for the purpose), and the advice or opinion of such counsel shall be full and complete authorization and protection to the Trustee as to any action taken or omitted by it in good faith and in accordance with such advice or opinion.

(b) The Trustee is hereby authorized and directed to accept written instructions with respect to the performance of its duties hereunder from any one of the Chair of the Board, the Chief Executive Officer, the President, the Secretary, or the Treasurer of the Company, subject to Section 4.06 hereof, and the ~~Chief Executive Officer~~ President or the Treasurer of the Beneficiary, as applicable, and to apply to such officers for advice or instructions in connection with its duties, and it shall not be liable for any action taken or omitted by it in good faith in accordance with written instructions of any such officer or for any delay in acting while waiting for those written instructions. The Trustee shall furnish to the Company copies of all communications received by the Trustee from the Beneficiary relating to this Agreement, and the Trustee shall furnish to the Beneficiary copies of all communications received by the Trustee from the Company relating to this Agreement. Whenever in the performance of its duties under this Agreement the Trustee shall deem it necessary or desirable that any fact or matter be proved or established by the Company or the Beneficiary or any directors, officers or other agents thereof prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively

proved and established by a certificate signed by any one of the Chair of the Board, the Chief Executive Officer, the President, the Secretary, or the Treasurer of the Company or the Chief Executive Officer or the Treasurer of the Beneficiary, which is attested by the Secretary or any Assistant Secretary of the Beneficiary, as applicable, and delivered to the Trustee; and such certificate shall be full authorization to the Trustee for any action taken or omitted by it in good faith under the provisions of this Agreement in reliance upon such certificate.

(c) Each of the Company and the Beneficiary agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Trustee for the carrying out or performing by the Trustee of the provisions of this Agreement.

(d) The Trustee undertakes only the express duties and obligations imposed on it by this Agreement and no implied duties or obligations shall be read into this Agreement against the Trustee.

(e) No provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

ARTICLE X

TERMINATION

Section 10.01. Term and Termination. This Agreement shall terminate upon the earlier of (i) joint written notice by the Beneficiary and the Company to the Trustee that the Beneficiary and the Alaska Health Foundation together Beneficially ~~Owns~~Own less than five percent (5%) of the issued and outstanding shares of Common Stock and less than five percent (5%) of the issued and outstanding shares of every other class of Capital Stock; ~~and/or~~ (ii) the ~~sixth~~tenth (~~610~~th) anniversary hereof; *provided, however*, that at any time before such expiration date (or before the expiration date after an extension in accordance herewith) the Beneficiary and the Company, together with the written consent of the Trustee, may extend the term of this Agreement for an additional period of not more than ten years from the date of the extension agreement. Otherwise, the Voting Trust is hereby expressly declared to be and shall be irrevocable.

Section 10.02. Delivery of Stock Certificate(s). If the Beneficiary is not in compliance with the provisions of Section ~~7.03~~7.04 as of the date of termination of this Agreement and such provisions have not been waived or otherwise extended pursuant to this Agreement, then the Trustee shall deliver the stock certificates then held in trust to the share escrow agent then serving pursuant to the Articles of Incorporation of the Company and the share escrow agent

shall hold title to the Capital Stock represented thereby, all to the extent provided by the Articles of Incorporation, subject to payment by the Beneficiary of any and all taxes and other expenses relating to the transfer or delivery of such certificates. To the extent upon termination of this Agreement the Beneficiary is in compliance with Section ~~7.03~~7.04 hereof and any shares of Capital Stock are not required to be held by the share escrow agent pursuant to the Articles of Incorporation, then the Trustee shall deliver to the Beneficiary stock certificate(s), with the appropriate legend as provided in the Articles of Incorporation, representing such number of shares of Capital Stock, subject to payment by the Beneficiary of any and all taxes and other expenses relating to the transfer or delivery of such certificates.

ARTICLE XI

MUTUAL REPRESENTATIONS AND WARRANTIES

Section 11.01. Company Representations. The Company hereby represents and warrants to the Beneficiary and the Trustee that (i) the Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Washington, (ii) the Company has the corporate power to execute, deliver and perform its obligations under this Agreement, (iii) the Company has authorized the execution, delivery and performance of its obligations under this Agreement by all necessary corporate action, (iv) the Company has duly executed and delivered this Agreement, (v) the execution and delivery by the Company of this Agreement and the performance by the Company of its obligations hereunder (1) do not violate the Articles of Incorporation or the Bylaws and (2) do not breach or result in a default under any agreement to which the Company is a party, and (vi) as of the effective date of this Agreement, the Company is not in breach of its obligations hereunder.

Section 11.02. Beneficiary Representations. The Beneficiary hereby represents and warrants to the Company and the Trustee that (i) the Beneficiary is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Washington, (ii) the Beneficiary has the corporate power to execute, deliver and perform its obligations under this Agreement, (iii) the Beneficiary has authorized the execution, delivery and performance of its obligations under this Agreement by all necessary corporate action, (iv) the Beneficiary has duly executed and delivered this Agreement, (v) the execution and delivery by the Beneficiary of this Agreement and the performance by the Beneficiary of its obligations hereunder (1) do not violate its articles of incorporation or bylaws and (2) do not breach or result in a default under any agreement to which the Beneficiary is a party, (vi) as of the effective date of this Agreement, the Beneficiary is the Beneficial Owner of • shares of Common Stock, and the Beneficiary does not Beneficially Own any other shares of Capital Stock of the Company, and (vii) as of the effective date of this Agreement, the Beneficiary is not in breach of its obligations hereunder.

Section 11.03. Trustee Representations. The Trustee hereby represents and warrants to the Company and the Beneficiary that (i) the Trustee is a corporation duly organized as a • under

the laws of •, (ii) the Trustee has the requisite power to execute, deliver and perform its obligations under this Agreement, (iii) the Trustee has authorized the execution, delivery and performance of its obligations under this Agreement by all necessary corporate or other action, (iv) the Trustee has duly executed and delivered this Agreement, and (v) the execution and delivery by the Trustee of this Agreement and the performance by the Trustee of its obligations hereunder (1) do not violate its ~~articles of incorporation or bylaws~~, and (2) do not breach or result in a default under any agreement to which the Trustee is a party.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Merger, Consolidation, Sale of Assets. If the Company shall merge into or consolidate with another corporation or corporations, or if all or substantially all of the assets of the Company are transferred to another corporation, the shares of which are issued to shareholders of the Company in connection with such merger, consolidation or transfer, then the term “Company” shall be construed, so long as the Marks continue to be licensed by such entity or its subsidiary from BCBSA, to include such successor corporation, and the Trustee shall receive and hold under this Agreement any shares of such successor corporation received by it on account of its ownership as Trustee of shares of Capital Stock held by it hereunder prior to such merger, consolidation or transfer.

Section 12.02. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties and each and all of their respective heirs, executors, administrators, successors and assigns. Notwithstanding any provision of this Agreement, the provisions of this Agreement shall not be binding on any transferee or purchaser from the Beneficiary (other than a Person who is an Affiliate of the Beneficiary and except that any and all shares of Capital Stock sold in violation of this Agreement, the Registration Rights Agreement, the Articles of Incorporation or the Bylaws shall remain subject to this Agreement). In case at any time the Trustee shall resign and no Successor Trustee shall have been appointed within thirty (30) days after notice of such resignation has been given as required by Section 9.04 hereof, the resigning Trustee may forthwith apply to a court of competent jurisdiction for the appointment of a Successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and appropriate, appoint a Successor Trustee.

Section 12.03. Notices. All notices, consents, requests, demands and other communications hereunder shall be in writing, and shall be deemed to have been duly given or made: (i) when delivered in person, (ii) three (3) days after deposited in the United States mail, first class postage prepaid, (iii) in the case of telegraph or overnight courier services, one (1) business day after delivery to the telegraph company or overnight courier service with payment provided, or (iv) in the case of telex or telecopy or fax, when sent, verification received; in each case addressed as follows:

(a) if to the Company:

[New PREMERA Corp.]
P.O. Box 327
Mail Stop 316
Seattle, Washington 98111
Attention: John P. Domeika,
Senior Vice President and General Counsel
Facsimile: (425) 670-5267

with a copy to:

Preston Gates & Ellis LLP
~~701 5th~~925 Fourth Avenue, Suite ~~5000~~2900
Seattle, Washington 98104
Attention: C. Kent Carlson
Facsimile: (206) 623-7022

and

Sullivan & Cromwell
125 Broad Street
New York, New York 10004
Attention: William D. Torchiana
Facsimile: (212) 558-3588

(b) if to the Beneficiary:

Attention: _____
Facsimile: _____

with a copy to:

Attention: _____
Facsimile: _____

(c) if to the Trustee:

Attention: _____
Facsimile: _____

with a copy to:

Attention: _____
Facsimile: _____

Section 12.04. Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without regard to Washington's conflict of law or choice of law rules. The parties irrevocably submit to the exclusive jurisdiction of the state and federal courts situated in King County, Washington in any proceeding relating to this Agreement, and agree that any process or summons in any such action may be served by providing to the party a copy thereof in accordance with the notice provisions of this Agreement.

Section 12.05. Attorneys' Fees. In the event of any suit or other proceeding between the Company and the Beneficiary with respect to any of the transactions contemplated hereby or the subject matter hereof, the prevailing party shall, in addition to such other relief as the court may award, be entitled to recover reasonable attorneys' fees, expenses and costs of investigation, all as actually incurred, including, without limitation, attorneys' fees, costs and expenses of investigation incurred in appellate proceedings or in any action or participation in, or in connection with, any case or proceeding under Chapters 7, 11 and 13 of the United States Bankruptcy Code or any successor thereto.

Section 12.06. Injunctions; Specific Performance. Each party hereto acknowledges and agrees that the rights and obligations set forth in this Agreement are unique and of such a nature as to be inherently difficult or impossible to value monetarily and irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with its specific terms or were otherwise breached. Therefore, each party hereto shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court having jurisdiction, such

remedy being in addition to any other remedy to which such party may be entitled at law or in equity.

~~Section 12.07. Fair Construction. This Agreement is the product of negotiation and shall be deemed to have been drafted by all of the parties. It shall be construed in accordance with the fair meaning of its terms and its language shall not be strictly construed against, nor shall ambiguities be resolved against, any particular party.~~

Section 12.07. ~~Section 12.08.~~ Amendments and Waivers. No amendment, modification, supplement, termination, consent or waiver of any provision of this Agreement, and no consent to any departure herefrom, shall in any event be effective unless the same is in writing and is signed by the ~~party against whom enforcement of the same is sought~~ parties hereto, and consented to in writing by the Alaska Health Foundation to the extent that the Alaska Voting Trust Agreement has not been terminated. Any waiver of any provision of this Agreement and any consent to any departure from the terms of any provision of this Agreement shall be effective only in the specific instance and for the specific purpose for which given. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, no waiver on the part of any party hereto of any right, power or privilege hereunder shall operate as a waiver of any other right, power, or privilege hereunder, and no single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. The waiver or consent (whether express or implied) by any party of the breach of any term or condition of this Agreement shall not prejudice any remedy of any other party in respect of any continuing or other breach of the terms and conditions hereof, and shall not be construed as a bar to any right or remedy which any party would otherwise have on any future occasion under this Agreement.

Section 12.08. ~~Section 12.09.~~ Entire Agreement. This Agreement, including any exhibits or attachments referred to herein, together with the other Transaction Documents, contain the entire agreement between the parties hereto regarding the subject matter hereof and may not be amended, altered or modified except by a writing signed by the parties hereto. This Agreement supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof, all of which are specifically integrated into this Agreement; provided that this Agreement shall not be interpreted as superseding any of the Transaction Documents. No party hereto shall be bound by or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth herein or in the Transaction Documents; and the parties hereto further acknowledge and agree that in entering into this Agreement they have not in any way relied and will not rely in any way on any of the foregoing not specifically set forth herein or in the Transaction Documents.

Section 12.09. ~~Section 12.10.~~ Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 12.10. ~~Section 12.11.~~ Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 12.11. ~~Section 12.12.~~ Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, shall be held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be in any way impaired thereby, it being intended that all remaining provisions contained herein shall not be in any way impaired thereby. If any term, provision, covenant or restriction contained in Article IV hereof is held by a court of competent jurisdiction to be invalid, void or unenforceable, then such provision shall be construed so as to require shares of Capital Stock held in the Voting Trust to be voted in the identical proportions in favor of or in opposition to such matters as votes of holders of all shares of Capital Stock Beneficially Owned by Persons other than (a) the Beneficiary or its Affiliates, (b) the Alaska Health Foundation or its Affiliates or (c) directors, officers, trustees of any employee benefit plans of the Company and other Affiliates of the Company (whether acting in their individual ownership or fiduciary capacities or pursuant to a discretionary proxy (other than any revocable proxy given by a stockholder other than a director, officer, trustee of any Company employee benefit plan or other Affiliate of the Company in response to a solicitation of proxies by the Board of Directors of the Company) or other discretionary delegation of the right to direct the voting of another stockholder's shares of Capital Stock) are cast.

Section 12.12. Asset Preservation. (a) Subject to the provisions of the next sentence hereof, the affirmative vote of the Beneficiary, as the holder of the Class B Common Stock, shall be required for (i) a recapitalization or restructuring of the Capital Stock of the Company; (ii) the creation of a new class of Capital Stock of the Company or the creation of a series of Preferred Stock (as defined in Article IV, Section 1 of the Articles of Incorporation); or (iii) the issuance of additional shares of Capital Stock (including without limitation, as to any of the foregoing, by means of an amendment to the Articles of Incorporation) that, in any of cases (i), (ii) or (iii), would adversely affect the financial interests, voting rights, or Transferability of the Beneficiary's shares of Capital Stock, as such interests, voting rights and Transferability exist pursuant to the Articles of Incorporation and the Transaction Documents (as defined herein). It is understood that the foregoing will not apply to, and the affirmative vote of the Beneficiary, as the holder of the Class B Common Stock, shall not be required for: (1) the creation, authorization or issuance of shares of Capital Stock to acquire the assets or stock of a Person (whether by asset or stock purchase, merger or otherwise) provided such transaction is approved by an Independent Board Majority, or any recapitalization or restructuring of the Capital Stock or amendment to the Articles of Incorporation in connection with a merger to which the

Company is a party and which constitutes an Approved Change of Control Proposal; (2) the creation, authorization or issuance of additional shares of Capital Stock for stock option plans and other equity-based compensation plans that are approved by an Independent Board Majority; (3) any creation, authorization or issuance of non-convertible indebtedness; (4) the creation, authorization or issuance of a series of Preferred Stock and the authorization or issuance of additional shares of Capital Stock for a shareholder rights plan; (5) the creation, authorization and issuance of Capital Stock or other securities convertible or exchangeable into Capital Stock for underwritten public offerings and offerings pursuant to Rule 144A (promulgated under the Securities Act (as defined **Article IV, Section 1** of the Articles of Incorporation)) of securities at or above market price (it being understood that an offering at a customary discount to then-prevailing market prices will be deemed for this purpose to be at market price), except that approval of the Beneficiary, as the holder of the Class B Common Stock, will be required if the securities have (or upon conversion or exchange could have) a class vote (other than a customary class vote to elect directors arising from the failure to make scheduled dividend payments and other than as required by applicable law) or the securities are (or upon conversion could be) senior in right of payment to the Capital Stock held by the Beneficiary; or (6) from and after the fifth anniversary of the closing date of an initial underwritten public offering of Common Stock, the creation, authorization and issuance of a series of Preferred Stock for sale in public or private transactions. It is also understood that the affirmative vote of the Beneficiary, as the holder of the Class B Common Stock, in respect of the matters referenced in this subsection (a) shall not be required from and after the time that the share of Class B Common Stock shall have been converted into Common Stock as provided in Section 2(f) of Article II in the Articles of Incorporation.

(b) In the event the Company engages in (i) a recapitalization or restructuring of the Capital Stock of the Company; (ii) the creation of a new class of Capital Stock of the Company or the creation of a series of Preferred Stock; (iii) the issuance of additional shares of Capital Stock (including without limitation, as to any of the foregoing, by means of an amendment to the Articles of Incorporation) that, in any of cases (i), (ii) or (iii) would adversely affect the financial interests, voting rights, or Transferability of the Beneficiary's shares of Capital Stock as such interests, voting rights and Transferability exist pursuant to the Articles of Incorporation and the Transaction Documents, such action shall be taken in a manner consistent with the fiduciary obligations that the Board of Directors of the Company owes to its stockholders upon advice of outside counsel.

(c) The Company shall not amend Section 2(d)(2) of Article II of the Articles of Incorporation without the prior written consent of the Beneficiary.

[Remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

[New PREMIERA CORP.]

By: _____
Name: _____
Title: _____

[FOUNDATION SHAREHOLDER]

By: _____
Name: _____
Title: _____

[TRUSTEE]

By: _____
Name: _____
Title: _____

Transaction Documents

[BCBSA License Agreement](#)

[Excess Share Escrow Agent Agreement](#)

[Unallocated Shares Escrow Agreement](#)

[New PBC Guaranty Agreement](#)

[PBC-AK Guaranty Agreement](#)

[Intellectual Property License Agreement](#)

[Intercompany Services and Cost Allocation Agreement](#)

[Intercompany Tax Sharing Agreement](#)

[LifeWise/New LifeWise Transfer of Assets Agreement](#)

[New Premera Blue Cross/New Premera Blue Cross of Alaska Management Agreement](#)

[Premera Blue Cross/New Premera Blue Cross Transfer of Assets Agreement](#)

[Premera Blue Cross/New Premera of Alaska Transfer of Assets Agreement](#)

[New PBC/PREMERA Transfer of Shares Agreement](#)

[Premera Blue Cross Plan of Reorganization and Plan of Distribution](#)

[PREMERA/New PREMIER Transfer of Assets Agreement](#)

[PREMER Plan of Reorganization and Plan of Distribution](#)

[Quality Solutions/New Quality Solutions Transfer of Assets Agreement](#)

[Registration Rights Agreement](#)

[Voting Trust and Divestiture Agreements](#)

Premera Voting and Divestiture Agreement.doc
REDLINED FROM FORM A DOCUMENTS FILED BY PREMIER IN SEPTEMBER/OCTOBER 2002

~~Revised Date: 9/16/02~~

[Plan of Conversion](#)

Trustee Fee Schedule

One Time Acceptance Fee:.....Waived

This one time charge is payable at the closing. Fees include the following services:

- ☐ Review of the agreement and all supporting documents
- ☐ Initial establishment of the account (s)

Administration Fee:.....\$7,500

This fee is payable in advance include the following services:

- ☐ Standard administrative functions under the agreement
- ☐ Monitoring of accounts and reporting

Transaction Charges:

- ☐ Wire/Check Fee.....\$25.00
- ☐ Investments (other than selected money market funds).....\$25.00
- ☐ Returned Checks (if applicable).....\$25.00

Out-of-Pocket Expenses

Fees quoted do not include any out-of-pocket expenses including, but not limited to, travel, expenses of foreign depositaries, stationary, overnight courier, and messenger costs. These expenses will be billed, at our cost, when incurred. In the event the transaction terminates before closing, all out-of-pocket expenses incurred, including our legal counsel fees, if applicable, will be billed to the account.

External Counsel Fees

Fees quoted do not include external legal fees. A bill for counsel fees incurred up to closing will be presented for payment on the closing date. However, assuming that we use the Bank's standard agreement or the language in your agreement largely conforms to our requirements, we should not need to use outside counsel.

Miscellaneous Services

The charges for performing services not contemplated at the time of the execution of the documents or not specifically covered elsewhere in the schedule will be determined by appraisal in amounts commensurate with the services. These extraordinary services may partially be

classified as amendments and usual releases; the preparation of special or interim reports which the trustee or agent must submit to security holders; usual studies, consideration and actions taken with respect to indenture provisions, custody of collateral which is diversified, voluminous in bulk or which involves the trustee or agent in more than usual activity.

CONFIDENTIALITY AGREEMENT

This CONFIDENTIALITY AGREEMENT (the “Agreement”) is entered into as of _____, 2004, by and between [New PREMERA Corp.], a Washington corporation (the “Company”), and [Foundation Shareholder], a Washington nonprofit corporation (“Washington Foundation Shareholder”).

BACKGROUND STATEMENT

Pursuant to the terms of a certain Voting Trust and Divestiture Agreement dated as of _____, 2004, by and among the Company, Washington Foundation Shareholder and the Trustee signatory thereto, as it may be amended from time to time (the “Voting Agreement”), one individual will serve as a Designated Member (as defined in the Voting Agreement) and such Designated Member shall discuss with Washington Foundation Shareholder certain information as set forth in Section 5.03(b)(ii) and 6.01(b) of the Voting Agreement, as set forth more fully therein, so long as Washington Foundation Shareholder Beneficially Owns (as defined in the Voting Agreement) 5% or more of the outstanding Capital Stock (as defined in the Voting Agreement) or 20% or more of the outstanding Capital Stock, respectively, in compliance with a confidentiality agreement in the form hereof.

STATEMENT OF AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. (a) As used herein, “Confidential Information” means all non-public, confidential or proprietary information concerning the Company communicated to Washington Foundation Shareholder pursuant to the Voting Agreement or otherwise by the Company or the Designated Member (whether in written or oral form, electronically stored or otherwise), and all notes, analyses, compilations, studies, interpretations or other documents prepared by the Company, the Designated Member, Washington Foundation Shareholder or any other person to the extent they contain or otherwise reflect any such non-public, confidential or proprietary communication.

Notwithstanding the foregoing, the following will not constitute “Confidential Information” for purposes of this Agreement:

- (1) Information that was already in the possession of Washington Foundation Shareholder or Designated Member on a non-confidential basis and not in contravention of applicable law prior to the date hereof;
- (2) Information that is obtained by Washington Foundation Shareholder on a non-confidential basis and not in contravention of applicable law from a source other than the Designated Member who, to the knowledge of the Washington Foundation Shareholder, is not prohibited from transmitting the information to Washington Foundation Shareholder by a contractual, legal or fiduciary obligation;
- (3) Information that is or becomes generally available to the public other than as a result of a disclosure by Washington Foundation Shareholder or the Designated Member in violation of the provisions of this Agreement; or
- (4) Information independently developed by Washington Foundation Shareholder without violating its obligations hereunder.

For purposes of this Agreement, “Knowledge of the Washington Foundation Shareholder” means the actual knowledge of the members of the board of the Washington Foundation Shareholder with no duty to inquire.

(b) Except as set forth in Paragraph 2 below, without the prior written consent of the Company, Confidential Information (1) will be held in confidence and not disclosed by Washington Foundation Shareholder to any person other than any professional advisors of Washington Foundation Shareholder who, in each case, are informed of the confidentiality obligations hereunder and who have agreed in writing to be bound by the confidentiality provisions of this Agreement and (2) will not be used by Washington Foundation Shareholder for any purpose other than to manage and evaluate Washington Foundation Shareholder’s investment in and divestiture of the capital stock of the Company. The term “person” as used in this Agreement means and includes any corporation, company, governmental agency or body, entity partnership, group or individual.

(c) The parties agree that the Company shall adopt internal rules and procedures pursuant to which the Designated Member will be required to present to the Company’s outside Counsel for review, prior to disclosure to the Washington Foundation Shareholder, all information concerning the Company that the Designated Member wishes to communicate, whether orally or in writing (including by electronic transmission), to Washington Foundation Shareholder.

2. If Washington Foundation Shareholder is required to disclose any Confidential Information pursuant to a statute, rule or regulation, or a subpoena, court order, civil investigative demand or similar judicial process or other oral or written request issued by a court

of competent jurisdiction or by an international, national, state or local governmental or regulatory body, Washington Foundation Shareholder will provide the Company with prompt written notice of any such request or requirement so that the Company may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. If such order or other remedy is not obtained or the Company waives compliance with the provisions of this Agreement, Washington Foundation Shareholder will disclose only that portion of the Confidential Information which it has received written advice by outside counsel that it is legally required to so disclose.

3. This Agreement does not constitute or create any obligation of the Company to provide any Confidential Information or other information to the Designated Member or Washington Foundation Shareholder and does not modify the type of information that the Designated Member is authorized to share with Washington Foundation Shareholder pursuant to the terms of the Voting Agreement, but rather defines the rights, duties and obligations of Washington Foundation Shareholder with respect to the Confidential Information to the extent it may be disclosed or made available to Washington Foundation Shareholder.

4. Washington Foundation Shareholder acknowledges that it is aware that the United States and state securities laws would prohibit any person who has material non-public information about a company from purchasing or selling securities of such company, or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. Washington Foundation Shareholder agrees that it will not use or cause any third party to use any Confidential Information in contravention of the United States securities laws, including the Securities Exchange Act of 1934, as amended, or any rules and regulations promulgated thereunder, and any applicable state securities laws. In addition, Washington Foundation Shareholder agrees to comply with the Company's internal rules and procedures generally applicable to officers, directors and affiliates of the Company regarding pre-clearance and reporting of transactions in the Company's Common Stock.

5. The parties hereto agree that they would be irreparably injured by a breach of this Agreement by the other party hereto or its representatives and that the parties hereto shall be entitled to equitable relief, including injunctive relief and/or specific performance, in the event of any breach of the provisions hereof. Each party hereby in advance further agrees to the granting of injunctive relief in the other party's favor without proof of actual damages. In the event that such equitable relief is granted, such remedy or remedies shall not be deemed to be the exclusive remedy or remedies for any breach of this Agreement, but shall be in addition to all other remedies available at law or equity.

6. (a) If any term or provision of this Agreement, or any application thereto to any circumstances, shall, to any extent and for any reason, be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and

shall be construed as if such invalid or unenforceable provision had never been contained herein and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(b) No modification, amendment or waiver of this Agreement shall be binding without the written consent of all parties hereto. This Agreement shall inure to the benefit of and be binding upon each of the parties and their respective successors and assigns. No failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right power or privilege hereunder.

(c) This Agreement shall be governed by and construed in accordance with the laws of the State of Washington without regard to the conflict of laws principles thereof.

(d) This Agreement shall expire on the earlier of (i) the end of the term of the Designated Member nominated pursuant to Section 5.03(b) of the Voting Agreement or (ii) the 10th anniversary of the Voting Agreement.

(e) Any notice hereunder shall be made in writing, by hand or overnight courier or by facsimile with original copy to follow by hand or overnight courier to the applicable party's address below the signature line below, or to such other address as such party may designate to all other parties by like notice.

(f) This Agreement may be executed in counterparts and signature pages exchanged by facsimile, and each counterpart shall be deemed to be an original, but all counterparts of which shall constitute the same agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date and year first above written.

[New PREMERA Corp.]

By: _____

Name: _____

Title: _____

Address for notice purposes:

[New PREMERA Corp.]

P.O. Box 327

Mail Stop 316

Seattle, Washington 98111

Attention: John P. Domeika,

Vice President and General Counsel

Facsimile: (425) 670-5267

[WASHINGTON FOUNDATION
SHAREHOLDER]

By: _____

Name: _____

Title: _____

Address for notice purposes:

[signature page to Confidentiality Agreement]

